

Message Text

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SUBJ: CRITICISM OF CANADA'S ROLE IN URANIUM CARTEL

1. MOST ARTICLES ON URANIUM CARTEL APPEARING IN CANADIAN PRESS
HAVE STARTED FROM PREMISE THAT ISSUE REPRESENTS ANOTHER ATTEMPT
TO APPLY US LAWS IN CANADA. ARTICLE BY DON MCGILLIVRAY IN
MONTREAL GAZETTE OF JUNE 21 TAKES DIFFERENT TACT, CRITICIZING
CANADA'S ROLE IN URANIUM CARTEL AND SUGGESTING NEED FOR INVE-
STIGATION OF CARTEL IN CANADA AS WELL AS US. EXCERPTS FROM
ARTICLE, PROVIDING GIST OF TEST, FOLLOW.

2. BEGIN TEXT:
THE GRUBBY STORY OF TRUDEAU GOVERNMENT'S URANIUM CARTEL
IS NOW BEING EXPOSED IN WASHINGTON DESPITE CANADA'S
EFFORTS TO COVER IT UP.

CANADIANS CAN TAKE LITTLE PRIDE IN THE STORY OF A HOLE
AND CORNER CONSPIRACY TO RIG BIDS ON URANIUM SUPPLY
CONTRACTS . . .

A GULF SUBSIDIARY SENT CONFIDENTIAL PAPERS ABOUT THE
CARTEL SOUTH TO ITS PARENT COMPANY BEFORE THE CANA-
DIAN GOVERNMENT PASSED A REGULATION FORBIDDING THEIR
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EXPORT. HAVING FAILED TO STOP THE EVIDENCE AT THE
BORDER, THE CANADIAN GOVERNMENT TRIED TO HAVE THE
US GOVERNMENT SMOOTHER IT.

BUT THIS DIDN'T WORK EITHER. SO CABINET MINISTERS
HAVE WRAPPED THEMSELVES IN THE CANADIAN FLAG AND
RESORTED, AS THEIR LAST REFUGE, TO PATRIOTIC

BLUSTER.

THE US, SAYS FINANCE MINISTER MCDONALD, IS USING A BIG STICK ON POOR LITTLE CANADA. TO INVESTIGATE CANADA'S CARTEL, HE SAYS, IS AN UNFRIENDLY ACT.

THIS IS NONSENSE, OF COURSE. THE US CONGRESS HAS A PERFECT RIGHT TO INVESTIGATE WHAT IT'S INVESTIGATING -WHETHER A CLUB OF WHICH A US COMPANY WAS A MEMBER HAD THE EFFECT OF RAISING URANIUM PRICES IN THE US.

IN FACT, THE US MAY HAVE A LEGITIMATE COMPLAINT ABOUT CANADA'S ATTEMPT TO STONEWALL THE INVESTIGATION.

BACK IN 1969, JUSTICE MINISTER RON BASFORD (THEN MINISTER OF CONSUMER AND CORPORATE AFFAIRS) WENT TO WASHINGTON AND ISSUED A JOINT DECLARATION WITH US ATTORNEY GENERAL JOHN MITCHELL. DECLARATION SAID, IN PART,

.. "A PRIMARY CONCERN WOULD BE CARTEL AND OTHER RESTRICTIVE AGREEMENTS AND RESTRICTIVE BUSINESS PRACTICES OF MULTI-NATIONAL CORPORATIONS AFFECTING INTERNATIONAL TRADE. THE ENFORCEMENT AGENCIES OF THE TWO

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COUNTRIES, EACH WITHIN ITS OWN JURISDICTION WILL WHERE POSSIBLE COORDINATE THE ENFORCEMENT OF THEIR RESPECTIVE LAWS AGAINST SUCH RESTRICTIVE BUSINESS PRACTICES."

THIS RAISES THE QUESTION WHETHER THE CARTEL MIGHT NOT BE A GOOD MATTER FOR INVESTIGATION IN CANADA AS WELL AS THE US. THE RESTRICTIVE TRADE PRACTICES ACT EXEMPTS A CONSPIRACY, COMBINATION, AGREEMENT OR ARRANGEMENT WHICH RELATES ONLY TO EXPORT ARTICLES FROM CANADA, BUT NOT ALL URANIUM IS EXPORTED.

WHETHER OR NOT ANYTHING MORE COMES OF THE US INVESTIGATION, THE DISCOVERY OF THE GOVERNMENT OF CANADA ACTING AS THE RINGLEADER OF A PRICE-RIGGING CARTEL HAS UNDER-CUT ITS MORAL AUTHORITY IN DEALING WITH PRICE FIXERS IN CANADA.

... BUT OF COURSE THE GOVERNMENT MAY CONSIDER THAT IT IS NOT BOUND BY THE SPIRIT OF THE LAW ANY MORE THAN BY ITS LETTER. THIS SORT OF IDEA WAS PUT FORWARD BY RICHARD NIXON IN HIS MAY 20 INTERVIEW WITH DAVID FROST: "WHEN THE PRESIDENT

DOES IT, THAT MEANS THAT ITS NOT ILLEGAL."
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